Fundamentals of Public Health Insurance Coverage

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What Is Public Coverage?

- Design, operations resemble private (FFS, MCO)
- Funding & risk bearing are mostly public
- Rules generally set by law, not by contract
- Usually not considered to include
  - public employees' coverage (private)
  - special programs, e.g., MCH, HIV (public health)

Public Programs

Program	Eligibility
• Federal	
– Medicare	– age 65+, long-term disabled
– Veterans	– group affiliation
• District-federal	
– Medicaid, including DC Healthy Families (SCHIP)	– family status, age, short-term disability, income
• District-only	
– DC Health Care Alliance	– income and District residence

Public Programs: Medicare

- Covers nearly 100% of ages 65+
- Also covers long-term disabled, about 2% of all under 65 year olds
- Medicare gaps impose costs on Medicaid
  - outpatient drugs
  - long-term care

Public Programs: Medicaid

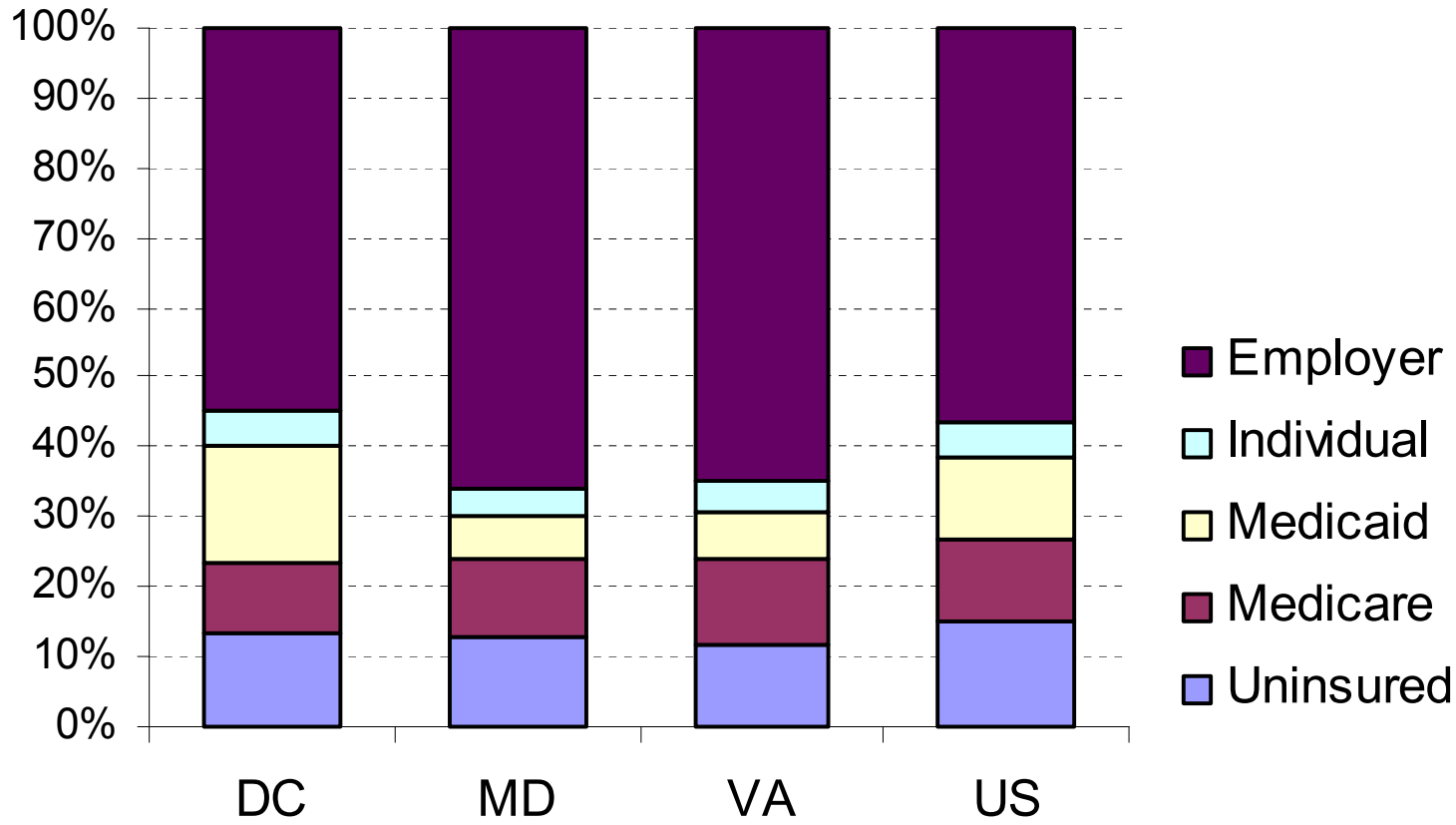
- District run under federal rules
  - In DC, includes “SCHIP,” ie, Healthy Families
- District spending draws down federal matching funds for spending on health care
  - 70% reimbursement for Medicaid (open-ended)
  - 79% for DC Healthy Families (to federal ceiling)
- An entitlement program
  - those eligible under rules are entitled to enroll

Medicaid Eligibility in DC

- DC eligibility is generous by many measures
- Eligibility rules are complex
  - District has significant control (EOM/Council)
  - No longer tied to cash assistance
  - Federal approval is needed for some changes
- DC continues to expand coverage
  - 50-64 Childless Adult Waiver
  - Elderly and Physical Disabilities Waiver
  - HIV Waiver
  - HIFA Waiver (in planning)

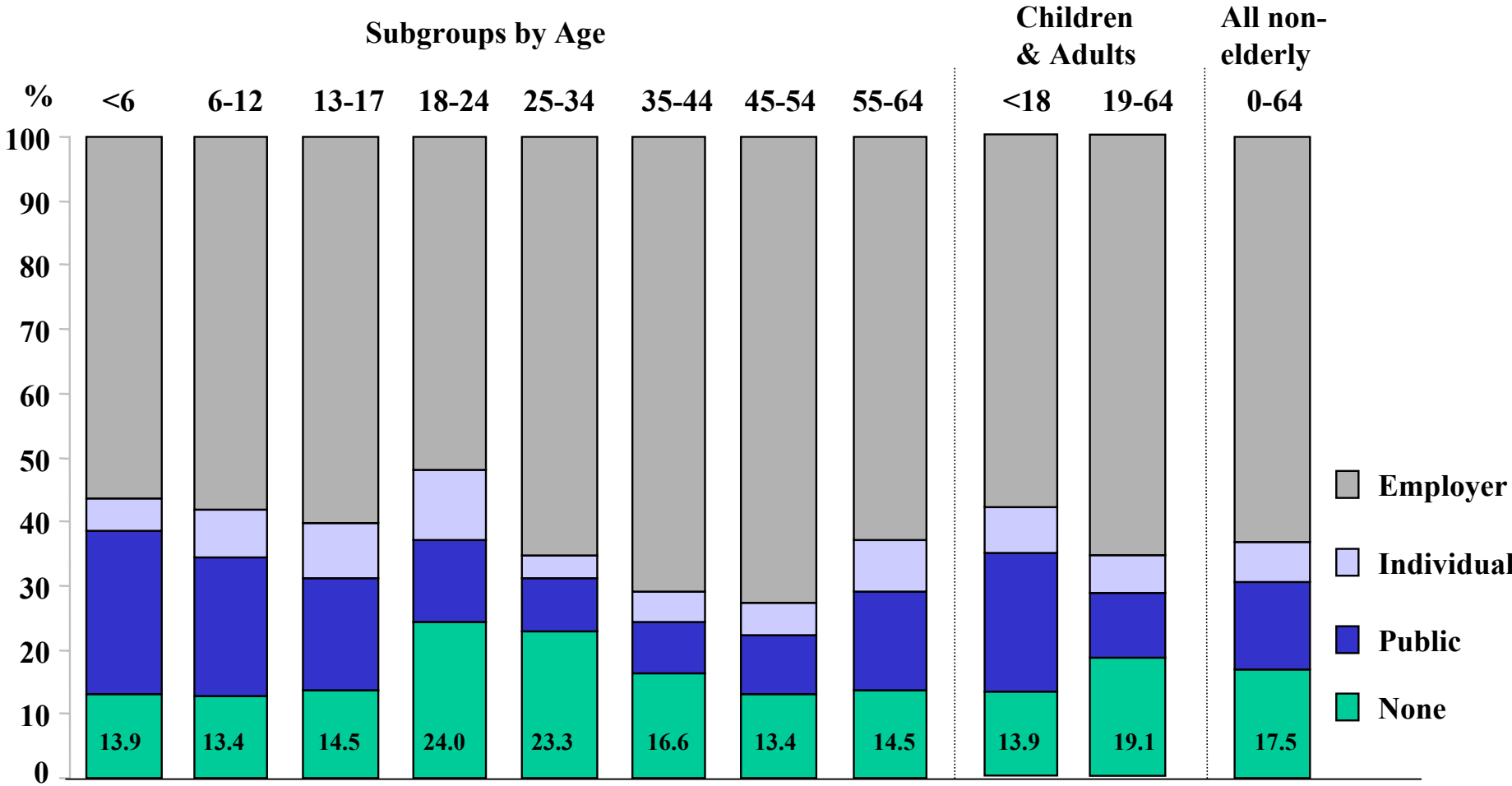
Medicaid Is Big in DC

Sources of Coverage, 2001-02



But Coverage Varies by Age

(nationwide, non-elderly, 1999)



SOURCE: Fronstin, 2000b

Public Programs: the Alliance

- Highly innovative District-funded program to cover low-income, otherwise uninsured people
- Administered by the Health Care Safety Net Administration (HCSNA)
- Began operations in April 21, 2001 after the downsizing of DC General Hospital
- Currently covers about 21,000 District residents

The Alliance, cont'd

- The Alliance is integrated network of private providers participating in program
  - insurance-like, but not technically insurance
- Eligibility:
  - Uninsured residents under 200% of poverty
  - Enrollment limited by overall Alliance budget
- Can enroll eligibles into primary-care homes
- Benefits are good, including hospital care, specialty care, and pharmaceuticals

Questions for Rest of SPG Project

- What changes in current Medicaid operations could affordably cover more people?
- How could enrollment for Medicaid and Alliance be better coordinated?
- How can episodic eligibility for Medicaid be addressed?
- What role for HIFA or other federal waivers?

Backup slides follow

“Health Care Privatization Amendment Act of 2001”

- The Health Care Safety Net Administration shall exercise oversight of the services contracted by the Mayor to ensure that the health of the population is maintained and that the financial viability of the health care entity providing services is addressed.

HCSNA- Program Goals

- To improve health outcomes of District Residents
- To decrease inappropriate use of the ER and inpatient care
- To increase primary and preventative care and increase the use of the medical home model
- To create a coordinated patient centered system of care and adequate financial reimbursement strategy.

HCSNA- Strategies for Improving Health Outcomes

- An integrated system of comprehensive health care service providers- 6 hospitals, 44 clinics and over 800 primary and speciality providers
- Provide for access to care through maintaining the operations of 6 primary care clinics, one urgent care center, and an ambulatory care center
- Implementation of a care coordination initiative with hospitals, clinics and primary care settings.
- Assignment of Alliance members to a PCP who acts as their medical home. Comprehensive care management with emphasis on preventative care.

HCSNA- Strategies for Improving Health Outcomes

- Comprehensive Patient Education Initiative
- Low Priority Ambulance Transport Initiative
- Mayor's Prisoner Re-entry Initiative
- Creation of a system for data collection and reporting that provides information on disease status, services provided, trends and cost of treatment.
- Coordination with DC Medical Homes Initiative

HCSNA- Populations Served

- 21,000 average annual DC Health Care Alliance enrollment, including services provided to persons in custody of the Metropolitan Police Department
- 4,000 Inmates of the Department of Corrections
- 71,566 DC Public School Children
- Provided access for 95,490 visits to 6 former PBC clinics
- Provided access for 11,325 visits to the urgent care center on DCG Campus
- Provided access for 46,304 visits to the ambulatory care center on DCG campus.

HCSNA- Budget

- $103.6 Million Total Budget for HCSNA
  - $7.6 for Pharmaceuticals and Program Oversight and Monitoring
  - $96 Million DC Health Care Alliance Contract
    - Provider Claims payments
    - Access to Care for clinics, urgent care center and ambulatory care center
    - School Health Program
    - Medical care to inmates of the Department of Corrections
    - 24 hour Pharmacy Program
    - Expanded Case Management Program
    - Expanded clinic and pharmacy hours
    - Expanded Outreach Program
    - Administrative Services